

The Senate Finance Committee offered the following substitute to SB 538:

A BILL TO BE ENTITLED

AN ACT

To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem tax exemptions, so as to provide a homestead exemption for the full value of the homestead for certain senior citizens with respect to all ad valorem taxes for educational purposes; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for a referendum; to provide for effective dates; to provide for applicability; to provide for automatic repeal under certain circumstances; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to tax exemptions, is amended by adding a new Code section to read as follows:

"48-5-47.2.

(a) As used in this Code section, the term:

(1) 'Ad valorem taxes for educational purposes' means all ad valorem taxes for educational purposes levied by, for, or on behalf of the state and all county school districts and independent school districts, including, but not limited to, any ad valorem taxes to pay interest on and to retire bonded indebtedness for educational purposes.

(2) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40, with the additional qualification that it shall include not more than five contiguous acres of homestead property.

(3) 'Senior citizen' means a person who is 65 years of age or over on or before January 1 of the year in which application for the exemption under this Code section is made.

(b) Each resident of the state who is a senior citizen is granted an exemption on that person's homestead from all ad valorem taxes for educational purposes for the full value of that homestead. The value of that property in excess of such exempted amount shall remain subject to taxation.

(c) A person shall not receive the homestead exemption granted by subsection (b) of this Code section unless the person or person's agent files an affidavit with the tax commissioner of the county in which that person resides giving the person's age and such additional information relative to receiving such exemption as will enable the tax commissioner to make a determination regarding the initial and continuing eligibility of such person for such exemption. The tax commissioner shall provide application forms for this purpose.

(d) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1. The exemption shall be automatically renewed from year to year as long as the person occupies the residence as a homestead. After a person has filed the proper application and affidavit as provided in subsection (c) of this Code section, it shall not be necessary to make application and file such affidavit thereafter for any year and the exemption shall continue to be allowed to such person. It shall be the duty of any person granted the homestead exemption under this Code section to notify the tax commissioner or the designee thereof in the event that person for any reason becomes ineligible for that exemption.

(e) The exemption granted by subsection (b) of this section shall not apply to or affect any state ad valorem taxes other than for education purposes, county ad valorem taxes for county purposes, or municipal ad valorem taxes for municipal purposes. The homestead exemption granted by subsection (b) of this section shall be in addition to and not in lieu of any other homestead exemption applicable to ad valorem taxes for educational purposes.

(f) The exemption granted by this Code section shall apply to all taxable years beginning on or after January 1, 2009."

## SECTION 2.

Unless prohibited by the federal Voting Rights Act of 1965, as amended, the Secretary of State shall call and conduct a referendum as provided in this section for the purpose of submitting this Act to the electors of the State of Georgia for approval or rejection. The Secretary of State shall conduct that election on the date of the November, 2008, state-wide general election. The Secretary of State shall cause the date and purpose of the election to be published once a week for two weeks immediately preceding the date thereof in the official organ of each county in the state. The ballot shall have written or printed thereon the words:

"( ) YES Shall the Act be approved which provides a homestead exemption for the full value of the homestead for persons age 65 and over with respect to all ( ) NO ad valorem taxes for educational purposes on not more than five acres of homestead property?"

1 All persons desiring to vote for approval of the Act shall vote "Yes," and persons desiring  
2 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on  
3 such question are for approval of the Act, then Section 1 of this Act shall become effective  
4 on January 1, 2009, and shall be applicable to all taxable years beginning on or after that  
5 date. If Section 1 of this Act is not so approved or if the election is not conducted as  
6 provided in this section, Section 1 of this Act shall not become effective and this Act shall  
7 be automatically repealed on the first day of January immediately following that election  
8 date.

9 **SECTION 3.**

10 Except as otherwise provided in Section 2 of this Act, this Act shall become effective upon  
11 its approval by the Governor or upon its becoming law without such approval.

12 **SECTION 4.**

13 All laws and parts of laws in conflict with this Act are repealed.